

## MEMORANDUM



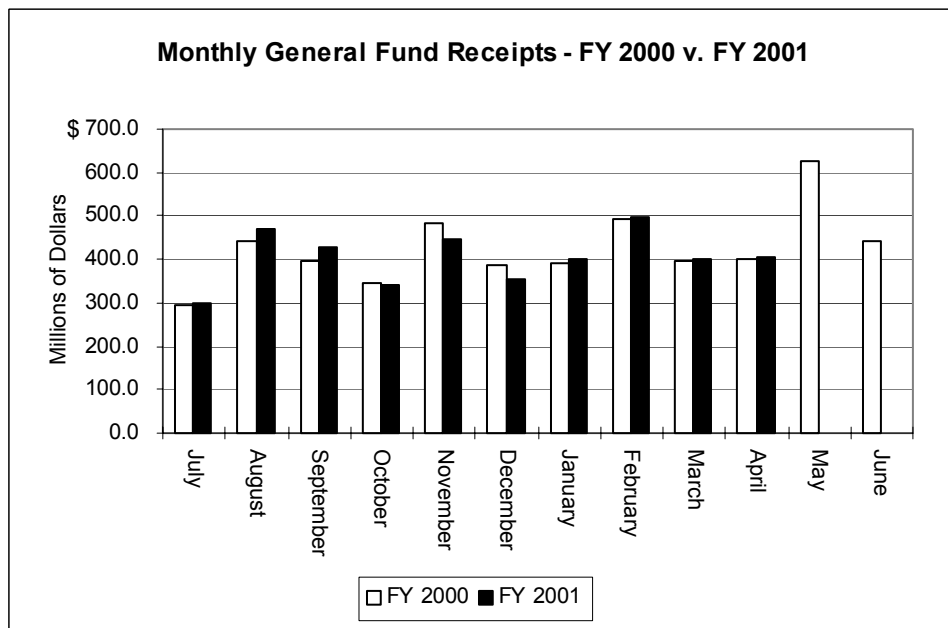
TO: Members of the Iowa Senate and  
Members of the Iowa House of Representatives

FROM: Dennis C. Prouty

DATE: May 1, 2001

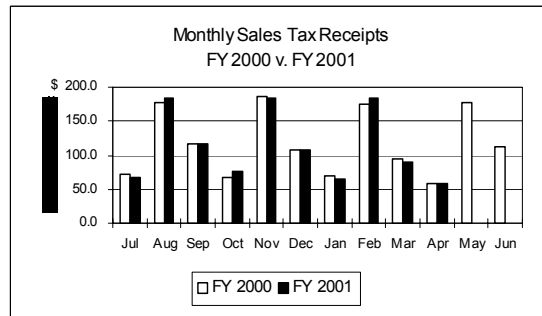
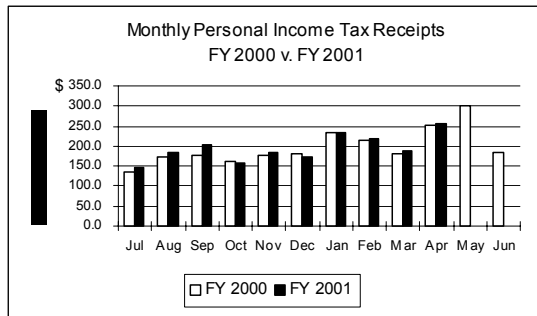
### General Fund Receipts Through April 30, 2001

The attached spreadsheet represents total FY 2001 estimated General Fund receipts, with comparable figures for actual FY 2000. These can be compared to the latest FY 2001 estimate (\$5.131 billion) set by the Revenue Estimating Conference (REC) on March 14, 2001. The estimate represents an increase of \$34.2 million (0.7%) compared to actual FY 2000.



## FY 2001 Compared to FY 2000

Year-to-date FY 2001 revenue increased by \$15.0 million (0.4%) compared to FY 2000. This is below the REC estimate of 0.7% for FY 2001.



**Gross personal income tax** revenues received in April totaled \$256.7 million, an increase of \$3.9 million (1.5%) compared to April 2000.

The REC FY 2001 income tax estimate of \$2.422 billion represents a projected increase of 1.9% compared to actual FY 2000. The year-to-date growth in personal income tax is currently 2.6%.

Withholding receipts increased in April by 2.3% compared to April 2000 while estimated payments increased 6.8%.

The Chart above compares monthly personal income tax receipts for FY 2000 with FY 2001.

**Sales tax** receipts in April totaled \$59.0 million, an increase of \$0.8 million (1.4%) compared to April 2000.

The REC estimate for FY 2001 sales tax receipts is \$1.448 billion, which represents an increase of 2.2% compared to actual FY 2000. The year-to-date growth in sales tax is currently 0.7%.

The Chart above compares monthly sales tax receipts for FY 2000 with FY 2001.

**Corporate income tax** receipts in April were \$23.5 million, a decrease of \$1.1 million (-4.5%) compared to April 2000.

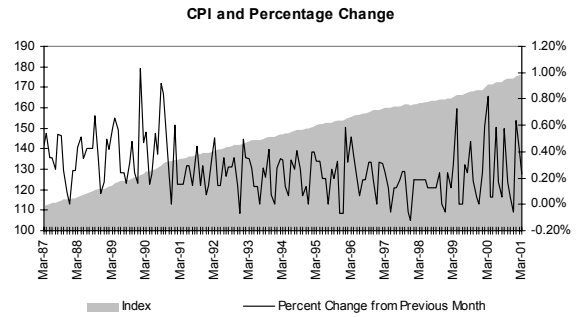
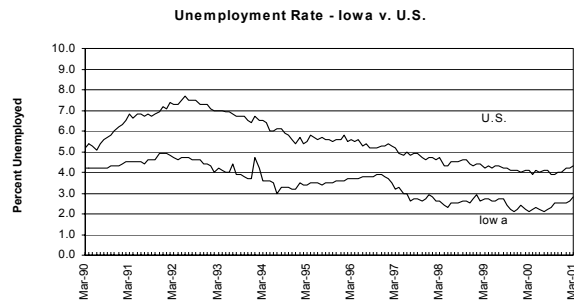
The REC projected FY 2001 corporate income tax receipts at \$308.9 million, a decrease of -5.3% compared to actual FY 2000. The actual year-to-date decrease in corporate income tax is currently -10.1%.

## Status of the Economy

The seasonally adjusted percent unemployed for the State in March rose to 2.8% from February's rate of 2.6%. The unemployment rate a year ago was 2.6%. This is the highest level measured since January of 1999 when the rate was 2.9%. Iowa's total March employment registered at 1,537,000, down slightly from February's level of 1,538,700. The number of unemployed persons in Iowa stood at 44,100 in March, which is up from February's level of 41,600. The U.S. unemployment rate was 4.3% for March, up slightly from February's rate of 4.2%.

Consumer prices in March increased by 0.2% from February's level. The Consumer Price Index (CPI-U) through March 2001 was 176.20 (1983=100), which is 2.9% higher than one year ago. The index for energy services and petroleum-based energy declined in March, while the food index rose slightly.

The following series illustrate U.S. and Iowa unemployment comparisons and the CPI through March 2001.



Information related to State General Fund receipts is available electronically through the Fiscal Bureau's Electronic Publishing of Information System (EPI). If you have questions regarding this service, you may contact Glen Dickinson (515-281-4616).

GENERAL FUND RECEIPTS - FY 2000 vs. FY 2001 July 1 through April 30, in millions of dollars Dollars may not add due to rounding							ESTIMATED GENERAL FUND RECEIPTS in millions of dollars FY 00 Actual Compared to FY 01 REC Estimate								
		FY 2000		FY 2001		Year to Date		April		Actual		Estimate		% CHANGE	
							%CHANGE		%CHANGE						
Personal Income Tax	\$	1,890.1		\$	1,939.2		2.6%		1.5%	\$	2,375.9	\$	2,421.5		1.9%
Sales Tax		1,128.1			1,135.7		0.7%		1.4%		1,416.6		1,448.4		2.2%
Use Tax		206.6			209.1		1.2%		6.1%		246.8		249.0		0.9%
Corporate Income Tax		227.0			204.2		-10.0%		-4.5%		326.1		308.9		-5.3%
Inheritance Tax		98.2			82.5		-16.0%		18.2%		114.8		103.1		-10.2%
Insurance Premium Tax		59.5			63.7		7.1%		-50.0%		120.2		123.2		2.5%
Cigarette Tax		73.9			72.8		-1.5%		9.4%		91.1		90.5		-0.7%
Tobacco Tax		5.5			5.3		-3.6%		-20.0%		6.6		7.2		9.1%
Beer Tax		11.2			11.1		-0.9%		-9.1%		13.6		13.8		1.5%
Franchise Tax		23.7			24.5		3.4%		11.4%		31.8		31.9		0.3%
Miscellaneous Tax		2.8			2.3		-17.9%		nm		1.3		1.3		0.0%
Total Special Taxes	\$	3,726.6		\$	3,750.4		0.6%		1.7%	\$	4,744.8	\$	4,798.8		1.1%
Institutional Payments		41.3			39.6		-4.1%		-12.5%		49.7		47.8		-3.8%
Liquor Transfers:															
Profits		28.0			30.5		8.9%		40.0%		36.0		37.0		2.8%
7% Gross Revenue		7.5			7.5		0.0%		0.0%		9.0		9.0		0.0%
Interest		22.7			16.7		-26.4%		-57.1%		26.0		18.3		-29.6%
Fees		55.2			57.9		4.9%		78.9%		66.3		66.7		0.6%
Judicial Revenue		40.9			41.9		2.4%		-4.9%		52.3		51.0		-2.5%
Miscellaneous Receipts		46.7			39.4		-15.6%		-49.0%		52.7		42.4		-19.5%
Racing and Gaming Receipt		60.0			60.0		0.0%		0.0%		60.0		60.0		0.0%
TOTAL RECEIPTS	\$	4,028.9		\$	4,043.9		0.4%		1.2%	\$	5,096.8	\$	5,131.0		0.7%